
By: **Chairman, Economic Matters Committee (By Request - Departmental -
Comptroller)**

Introduced and read first time: January 29, 2003

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Disposition of Abandoned Property - Notice Requirement**
3 **of Holder**

4 FOR the purpose of requiring all holders of property subject to the abandoned
5 property law to provide certain notice to owners within a certain period;
6 clarifying that this requirement applies to certain financial institutions and
7 businesses; and generally relating to the disposition of abandoned property in
8 the State.

9 BY repealing and reenacting, with amendments,
10 Article - Commercial Law
11 Section 17-301(a)
12 Annotated Code of Maryland
13 (2000 Replacement Volume and 2002 Supplement)

14 BY adding to
15 Article - Commercial Law
16 Section 17-308.2
17 Annotated Code of Maryland
18 (2000 Replacement Volume and 2002 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Commercial Law**

22 17-301.

23 (a) The following property held by a banking or financial organization, or
24 business association is presumed abandoned[, if the depositor has been issued a
25 notice by first class mail to the depositor's last known address of the fact that the
26 property will be considered abandoned and there is no response within 30 days to the
27 notification]:

1 (1) Any demand, savings, or matured time deposit account made with a
2 banking organization, together with any interest or dividend on it, excluding any
3 charges that lawfully may be withheld, unless, within 4 years, the owner has:

4 (i) Increased or decreased the amount of the deposit;

5 (ii) Presented evidence of the deposit for the crediting of interest;

6 (iii) Corresponded in writing with the banking organization
7 concerning the deposit;

8 (iv) Engaged in any credit, trust, or other deposit transaction with
9 the banking organization; or

10 (v) Otherwise indicated an interest in the deposit as evidenced by a
11 memorandum on file with the banking organization;

12 (2) Any funds paid toward the purchase of shares or other interest in a
13 financial organization, or any deposit made with these funds, and any interest or
14 dividends on these, excluding any charges that lawfully may be withheld, unless,
15 within 4 years, the owner has:

16 (i) Increased or decreased the amount of the funds or deposit, or
17 presented an appropriate record for the crediting of interest or dividends;

18 (ii) Corresponded in writing with the financial organization
19 concerning the funds or deposit;

20 (iii) Engaged in any credit, share, or other deposit transaction with
21 the financial organization; or

22 (iv) Otherwise indicated an interest in the funds or deposit as
23 evidenced by a memorandum on file with the financial organization;

24 (3) Any sum payable on a check certified in this State or on a written
25 instrument issued in this State on which a banking or financial organization or
26 business association is directly liable, including any certificate of deposit, draft,
27 traveler's check, and money order, that has been outstanding for more than 4 years
28 from the date it was payable (or 15 years in the case of a traveler's check) or, if
29 payable on demand, from the date of its issuance, unless, within 4 years or 15 years
30 in the case of a traveler's check, the owner has:

31 (i) Corresponded in writing with the banking or financial
32 organization or business association concerning it; or

33 (ii) Otherwise indicated an interest as evidenced by a
34 memorandum on file with the banking or financial organization or business
35 association; and

1 (4) Any property removed from a safekeeping repository on which the
2 lease or rental period has expired or any surplus amounts arising from the sale of the
3 property pursuant to law, that have been unclaimed by the owner for more than 4
4 years from the date on which the lease or rental period expired.

5 17-308.2.

6 NOT MORE THAN 120 DAYS OR LESS THAN 30 DAYS BEFORE THE FILING OF THE
7 REPORT REQUIRED UNDER § 17-310 OF THIS SUBTITLE, THE HOLDER IN POSSESSION
8 OF PRESUMED ABANDONED PROPERTY SHALL SEND A WRITTEN NOTICE BY
9 FIRST-CLASS MAIL TO THE APPARENT OWNER OF THE PRESUMED ABANDONED
10 PROPERTY TO THE OWNER'S LAST KNOWN ADDRESS INFORMING THE OWNER THAT:

11 (1) THE HOLDER IS IN POSSESSION OF PROPERTY SUBJECT TO THE
12 PROVISIONS OF THIS TITLE; AND

13 (2) THE PROPERTY WILL BE CONSIDERED ABANDONED UNLESS THE
14 OWNER RESPONDS WITHIN 30 DAYS OF THE NOTIFICATION TO THE HOLDER.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
16 effect July 1, 2003.